

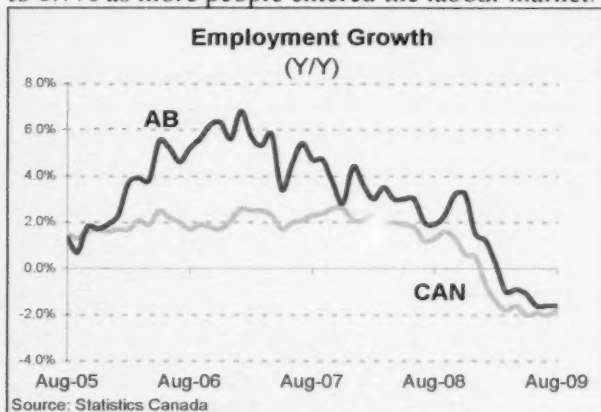


Domestic Labour Market

Alberta employment falls further...

Alberta employment fell by 6,700 in August. While the unemployment rate edged up 0.2 percentage points to 7.4%, it remains the third lowest among provinces. In the first eight months of 2009, employment was down 0.8% compared to the same period last year. Meanwhile, average hourly wages grew 2.4% from July 2009 and 5.9% from August 2008.

On the other hand, national employment rose 27,100 due solely to an increase in part-time work. Despite the gain, the unemployment rate edged up to 8.7% as more people entered the labour market.



Residential Construction Investment

Residential investment still weak...

After declining 27.8% year-over-year in the first quarter, residential construction investment fell 33% to \$2.4 billion in the second quarter. While new dwelling construction, which accounts for more than a half of total residential investment, was down 44.5%, renovation expenditures also fell 9.4%, similar to the decline registered in the previous quarter.

Rig Drilling Activity

Rigs drilling remains depressed...

In August, the average number of rigs drilling in Alberta fell 62.7% compared to a year ago. Year-to-date, rigs drilling were down 50.3%.

Canadian Dollar (US\$/C\$)

September 4, 2009	91.84
August 28, 2009	91.92
2009-10 YTD	87.82

WTI Oil US\$/bbl

September 3, 2009	\$67.96
August 27, 2009	\$72.49
2009-10 YTD	\$63.11

Nymex Natural Gas C\$/MMBtu *

Near-month Contract	
September 4, 2009	\$ 2.90
August 28, 2009	\$ 3.34

* Estimate based on Nymex Futures Market Price

Canadian Gross Domestic Product (GDP)

Weak exports and business investment continue to drag GDP growth...

Canada's real GDP edged up 0.1% between May and June, suggesting an end to the recession. For the second quarter, however, real GDP fell at an annual rate of 3.4%, a sharp moderation from the 6.2% decline registered in the previous quarter. While weak exports and business investment continue to drag GDP growth, a rebound in consumer spending and residential construction activity provided some lift.

Farm Product Price Index

Farm product prices fall further...

Prices received by Alberta farmers declined 5.5% between May and June due to lower prices for both crops and livestock. On a year-over-year basis, prices have fallen by 18.6%, the biggest decline in over five years, as crop prices were significantly down from their June 2008 peaks. Livestock exports continues to be battered by the US Country of Origin Labeling legislation, the H1N1 flu virus and the economic crisis.

US Labour Market

Job losses continue to abate...

Job declines in the U.S. economy continue to moderate. Non-farm payroll employment fell 216,000 between July and August, the slowest pace of job losses in a year. The unemployment rate edged up to 9.7% from 9.4% in July.

Overall Economy	2007	2008	2009YTD*	Mar	Apr	May	Jun	Jul	Aug
Real GDP (in 2002 \$billions)	187.5	187.0	--	--	--	--	--	--	--
% change	3.1	-0.2	--	--	--	--	--	--	--
Nominal GDP (\$ billions)	258.9	291.7	--	--	--	--	--	--	--
% change	8.1	12.6	--	--	--	--	--	--	--
Population ¹ (000's) (level)	3,511	3,585	3,654	--	3,654	--	--	--	--
% change	2.6	2.1	2.6	--	2.7	--	--	--	--
Net Interprovincial Migration ¹ (level)	33,809	10,010	18,269	--	7,144	--	--	--	--
Net International Migration ¹ (level)	16,136	19,283	13,179	--	4,175	--	--	--	--
Net Non-permanent Residents ¹ (level)	13,539	17,890	17,557	--	4,626	--	--	--	--
Labour Market									
Employment (000's)	1,959	2,013	1,992	1,987	1,993	1,994	1,990	1,986	1,979
% change	4.7	2.8	-0.8	-1.0	-0.9	-1.1	-1.6	-1.6	-1.6
Unemployment Rate (%)	3.5	3.6	6.2	5.8	6.0	6.6	6.8	7.2	7.4
Average Hourly Wage Rate	6.0	5.7	5.0	3.6	4.3	5.0	6.1	4.6	5.9
Average Weekly Earnings ²	5.8	6.0	4.6	4.8	2.1	4.9	4.3	--	--
Labour Income ³	11.3	8.4	4.0	3.0	--	--	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	-0.1	0.9	-0.7	-0.7	-1.6	-1.5	-1.5
Excluding food and energy	4.9	1.9	1.5	1.4	1.1	1.7	1.6	1.4	1.4
Non-Res. Const. Cost Index ⁴ (quarterly)	17.3	13.2	-6.3	-1.0(Q1)	--	--	-11.3(Q2)	--	--
Farm Product Price Index	14.3	11.1	-8.6	-5.0	-6.2	-10.4	-18.6	--	--
Crops	41.4	26.3	-25.7	-23.3	-25.8	-29.5	-33.5	--	--
Livestock	0.7	2.1	8.0	17.1	12.5	0.5	-5.7	--	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	15.2	11.9	14.2	14.2	20.0	17.6	17.6
% change	-2.1	-39.7	-54.7	-77.0	-53.3	-55.6	-12.7	-38.0	-38.0
New Housing Price Index	22.5	0.7	-9.8	-10.5	-10.7	-9.8	-9.8	--	--
Edmonton	32.1	1.0	-11.8	-12.3	-12.5	-11.7	-11.7	--	--
Calgary	16.2	0.6	-7.8	-8.7	-8.8	-7.9	-8.0	--	--
MLS Average Resale Prices	24.3	-1.4	-7.1	-10.4	-6.8	-5.8	-4.6	-2.4	-2.4
Edmonton	34.3	-2.0	-6.0	-10.1	-7.4	-4.2	-3.8	-3.1	-3.1
Calgary	18.7	-2.9	-9.1	-11.3	-10.1	-8.7	-6.3	-5.2	-5.2
Retail Sales	9.3	-0.1	-10.2	-13.8	-10.1	-11.0	-6.5	--	--
New Motor Vehicle Sales	3.3	-7.3	-27.2	-31.9	-24.4	-27.8	-21.8	--	--
Business Sector									
Public and Private Investment ⁵	9.1	3.6	-17.2	--	--	--	--	--	--
Mining and oil and gas ⁵	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-50.3	-60.8	-42.0	-39.2	-56.3	-66.2	-62.7
Goods Exports (customs based)	5.3	33.2	-37.2	-36.1	-39.8	-46.0	-39.7	--	--
Energy	4.4	40.9	-43.4	-44.0	-47.2	-51.7	-43.0	--	--
Agriculture	9.8	28.6	-2.6	-3.9	6.9	-17.6	-10.8	--	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	-3.5	2.8(Q1)	--	--	-10.3(Q2)	--	--
Manufacturing Shipments	1.9	6.9	-20.7	-13.9	-24.7	-27.7	-26.7	--	--
Wholesale Trade	5.0	10.9	-9.2	-4.4	-12.2	-20.9	-11.6	--	--
Building Permits	13.4	-16.5	-38.9	-29.9	-40.9	-18.5	-25.0	--	--
Residential	10.7	-31.5	-48.5	-38.9	-44.2	-49.1	-17.5	--	--
Non-residential	17.1	3.7	-29.7	-20.7	-37.3	13.0	-30.9	--	--

Government of Alberta

Finance and Enterprise

* YTD - year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

¹ Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). The April population estimate is also the 2009 year-to-date value.

² The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

³ Total income earning in Alberta including wages and salaries, and supplementary income.

⁴ Average of Calgary and Edmonton.

⁵ 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Summer 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	0.5%	-0.1%	0.9%	2.0%	-0.0%	1.0%	-0.4%	2.4%	4.4%	-0.2%	-0.3%
2009	-2.1%	-3.4%	0.8%	0.3%	0.9%	-0.7%	-3.0%	0.8%	-2.7%	-2.7%	-2.5%
2010	2.8%	0.0%	2.2%	1.2%	2.8%	1.8%	3.1%	1.8%	3.5%	3.3%	3.4%
Population (As of April 1, 2009)											
Population	33,592,686	508,726	140,638	939,475	748,866	7,799,372	13,014,018	1,217,163	1,027,092	3,653,840	4,435,344
Annual Growth Rate ^a	1.23%	0.20%	1.19%	0.18%	0.26%	0.89%	1.02%	1.16%	1.49%	2.71%	1.70%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	10,010	11,458
1st Quarter (January 1, 2009 to March 31, 2009)		98	-66	-357	61	-2,016	-5,015	-181	545	7,144	-16
Employment											
Level Change (000s) ^b	-311.5	-4.0	-1.9	-0.6	-1.6	-33.8	-181.6	6.5	1.8	-32.1	-64.1
Percent Change ^b	-1.8%	-1.7%	-2.5%	-0.1%	-0.4%	-0.9%	-2.7%	1.1%	0.3%	-1.6%	-2.7%
Unemployment Rate, 2009 avg (SA)	8.2	15.3	12.4	9.1	9.1	8.5	9.0	5.0	4.7	6.2	7.4
Participation Rate, 2009 avg (SA)	67.4	59.1	67.8	64.6	64.8	65.4	67.4	69.4	70.3	74.5	65.9
Average Weekly Earnings											
June 2009	823.23	804.81	691.63	726.11	737.45	770.86	843.43	765.26	803.77	962.77	798.75
Y/Y Percent Increase ^c	1.9%	4.9%	6.7%	2.6%	1.8%	2.7%	0.7%	2.8%	2.6%	4.3%	1.4%
2009 Wage Settlements										4.7%	
CPI Inflation											
July Annual	-0.9%	-0.9%	-1.3%	-1.0%	-0.4%	-0.3%	-1.2%	0.0%	0.9%	-1.5%	-1.6%
Excluding Shelter	-0.6%	-0.3%	0.7%	-0.3%	-0.3%	-0.3%	-1.1%	-0.4%	0.1%	-0.2%	-0.6%
Housing Starts (000s)											
SAAR July 2009	132.1	2.9	0.6	3.3	3.8	44.2	39.1	4.0	3.6	17.6	13.0
Retail Sales											
Percent Change ^d	-2.7%	5.7%	-0.1%	2.8%	-1.0%	-0.3%	-2.9%	1.3%	1.1%	-6.5%	-6.9%
2009 YTD Retail Sales Growth	-5.6%	1.3%	-1.6%	-2.4%	-2.1%	-3.3%	-5.0%	-3.6%	-3.1%	-10.2%	-9.2%
Manufacturing Shipments											
Percent Change ^d	-23.1%	-42.2%	-18.7%	-20.2%	-33.4%	-16.5%	-26.4%	-9.6%	-9.0%	-26.7%	-17.4%

a. Over the past 12 months

b. August 2009 Y/Y change, unadjusted for seasonal effects

c. Updated to June 2009

d. June 2009 Y/Y change, unadjusted for seasonal effects

SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate

Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada